

**MINUTES OF
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST
FINANCE COMMITTEE MEETING
HELD ON MARCH 21, 2024**

PRESENT: William A. Settoon, Jr., Chair
Roy M. Arrigo, Committee Member
K. Randall Noel, Committee Member

The Finance Committee of the Southeast Louisiana Flood Protection Authority-East (FPA or Authority) met on March 21, 2024, in the Franklin Avenue Administrative Complex, Meeting Room 201, 6920 Franklin Avenue, New Orleans, La. Mr. Settoon called the meeting to order at 9:30 a.m.

Opening Comments: Mr. Settoon commented that the final changes to the proposed Fiscal Year 2025 Budget would be reviewed at today's meeting.

Adoption of Agenda: The Committee adopted the agenda as presented.

Approval of Minutes: The Committee approved the minutes of the Finance Committee meeting held on February 22, 2023.

Public Comments:

Carol Byram, a resident of Orleans Parish, explained that she began attending the meetings of the FPA Board four months after the FPA was established in 2007. Although uncomfortable doing so, she has had to speak publically almost every month for many years regarding questionable actions by a few Commissioners on the first FPA Board. One issue was when residents accidentally discovered that Orleans was quietly designated to pay for a \$4 million levee repair that was located deep in St. Bernard Parish. The non-federal levee could not be certified unless the repairs were made. Residents later realized that Orleans Parish taxpayers had been paying most of St. Bernard's share of the FPA's expenses. Residents spoke for years about how unfair this was to Orleans and Jefferson Parish taxpayers. She stated that she understood that there could be more work by the U.S. Army Corps of Engineers (USACE) for which the parishes will share a percentage of the costs. She asked how current and future expenses will be handled. She also asked were these expenses addressed in the FY 2025 Budget.

Mr. Arrigo advised that he was familiar with the funding issue that Ms. Byram spoke about in her comments. He stated that he reviewed the various versions of the FY 2025 Budget and that it was not directly included in the Budget. He said that the issue Ms. Byram spoke about is still an issue and something that needs to be worked out. The issue recently came up in a meeting and the FPA is working on a solution to get the funding for the agency and spending for expenses done in a fair way.

Ms. Byram added that property taxes have gotten outrageous. She stated that if she has to pay this much money, she wanted it to go to Orleans Parish. She asked that the Commissioners review the way that FPA expenses are divided among the parishes.

Regional Finance Director's Report:

Denise Williams, Regional Finance Director, advised that the FPA began transferring Bohemia revenues to the Lakefront Management Authority (LMA). Only \$7,500 has been collected thus far this year.

New Business:

A. Discussion of the proposed payment by the Orleans Levee District to the U.S. Army Corps of Engineers of \$9,008,630.45 for the local cost share for the Original Lake Pontchartrain and Vicinity, Louisiana Project constructed prior to Hurricane Katrina on August 23, 2005, and recommendation to the Board.

Kelli Chandler, Regional Director, advised that Special Levee Improvement Project (SLIP) funds will be used to pay the \$9,008,630.45 payment to the USACE. Two audit periods ago, an accrual of about \$13 million was booked for this expense. Since the cost was over expensed due to the cost share reduction, a credit will be included in next year's financials.

Mr. Arrigo pointed out that the initial cost share estimate was \$27 million. Significant work was done researching documents for in-kind credits that could be applied to reduce this cost.

A motion was offered by Mr. Noel, seconded by Mr. Arrigo and unanimously adopted, to recommend that the Board approve the \$9,008,630.45 payment to the USACE for the local cost share for the Original Lake Pontchartrain and Vicinity, Louisiana Project constructed prior to Hurricane Katrina.

B. Discussion of Fiscal Year (FY) 2025 Budget for the Flood Protection Authority and East Jefferson, Lake Borgne Basin and Orleans Levee Districts and recommendation to the Board.

Ms. Williams advised that the FY 2025 budget must be submitted to the State by April 1st. Only a few changes were made to the FY 2025 Budget after it was reviewed in great detail at the February 22nd Finance Committee meeting:

- The \$1.5 million manlift was removed from the Permanent Canal Closures and Pumps (PCCP) budget. The FPA will continue renting this equipment.
- The 17th Street Canal East Side Veterans Boulevard to Old Hammond Highway Project was increased from \$6 million to \$12 million for FY 2025.
- Projects related Information Technology (IT) Support Services were increased by \$30,000.

- Because salaries were over budgeted year-after-year, some vacant positions were removed from the budget.
- \$1.3 million was added to the FPA Budget for the design of future levee lifts. This money will be paid to the USACE for the agencywide project

A motion was offered by Mr. Noel, seconded by Mr. Arrigo and unanimously adopted, to recommend that the Board approve the FY 2025 Budget.

C. Discussion of 2nd Quarter Budget to Actual report for FY 2024.

Ms. Williams explained that, typically, not a lot of activity takes place in the first half of the fiscal year. She provided the following highlights of the report:

Capital Projects: Most of the projects were rebudgeted. Many of the East Jefferson Levee District projects will not start until FY 2025. The design phase of the Lake Borgne Basin Levee District 40 Arpent Sheet Pile Paint/Repair Project is wrapping up and the project will be advertised for bid in the coming weeks. The FPA Levee Street View Project will start around the third quarter of the fiscal year.

The following Orleans Levee District task orders or projects have been completed:

- Design and Geotechnical - Erosion Mitigation 17th Street Canal Old Hammond Highway to Veterans Boulevard
- Construction Administration - Outfall Canal Slope Paving Project
- Inspection - Lakeshore Drainage and Improvement Shelter 1 to Orleans Canal
- Design – Lakeshore Drive Bayou St. John Bridge Approaches
- Hurricane Ida Floodgate N6 Repairs
- Franklin Office Renovation/Improvements
- Surge Barrier Sector Gate Camera Project

Operations and Maintenance: Overall costs are in-line with or below budget. Some vehicles and equipment ordered in FY 23 were received. The \$700,000 write off of the balance due from the LMA and revenues from the recent auction of surplus items were included in the Budget.

Mr. Settoon inquired about the 17th Street Canal East Side Veterans Boulevard to Old Hammond Highway Project. Chris Humphreys, Director of Engineering, advised that the contract was awarded and the notice to proceed will be issued soon. Due to the lead time on sheetpile procurement, construction is anticipated to begin in May. In lieu of staging the project from the bridge at either Veterans Highway or Old Hammond Highway, the contractor may use as an alternate location some vacant lots owned by the Orleans Levee District near the north end of Bellaire Drive. The project is located entirely on the east side of the 17th Street Canal and is estimated to cost \$12.5 million.

There was no further business; therefore, the meeting was adjourned at 9:47 a.m.